

## RESOLUTION NUMBER 800

A RESOLUTION OF THE CITY OF KETCHUM, IDAHO, DECLARING THE CITY'S GUIDELINES FOR THE SPENDING AND DISTRIBUTION OF COMMUNITY HOUSING IN-LIEU FEES COLLECTED BY THE CITY OF KETCHUM.

WHEREAS, the City of Ketchum recently revised its Comprehensive Plan to include Policy 5.7, which states that the City should: *Require the provision of affordable (community) housing units as a condition of approval to higher densities when such rezone is appropriate;*

WHEREAS, the City of Ketchum adopted Resolution 793, which states the guidelines for the requirement of Community Housing in rezones to higher density/intensity of use within Ketchum;

WHEREAS, Resolution 793 and possibly future resolutions and policies allow for the fulfillment of Community Housing obligations through "in-lieu" payments to the Blaine County Housing Authority;

WHEREAS, the City of Ketchum and the Blaine County Housing Authority require policies for the collection, distribution and spending of the Community Housing in-lieu fees;

WHEREAS, the Blaine County Housing Authority (BCHA) and the Ketchum Housing Commission (KHC) approved the following set of policies and guidelines for the collection, distribution and spending of Community Housing in-lieu fees.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of Ketchum:

The following will be the policies for the use of Community Housing in-lieu fees collected by the City of Ketchum for distribution to the BCHA for use in the creation of Community Housing units.

1. 90% of all Housing In-lieu payments will be deposited into the BCHA's "Housing Reserve Account".
2. 10% of all Housing In-lieu payments will be deposited into the BCHA's "Operating Reserve Account".
3. The BCHA will spend 90% of all "Housing Reserve Account" deposits within 18 months of deposit.
4. 10% of all "Housing Reserve Account" deposits may remain in the account beyond 18 months.
5. In spending the "Housing Reserve Account" portions of the Housing In-lieu payments, the BCHA must observe the following rules:
  - a. If the payment was made to pay for a proscribed number of Community Housing Units, the BCHA must purchase the proscribed number of Community Housing Units.
  - b. If the payment was made to house a proscribed number of Full Time Employees (FTE), the BCHA must purchase or create enough Community Housing Units to house the proscribed number of FTE, based on a formula of one FTE per bedroom of a Community Housing Unit.
  - c. If the payment was made without a proscribed number of Community Housing Units to be purchased or FTE to be housed, the BCHA will use current data and community needs to decide how many units to purchase, and at what income level the units will serve.
6. The proposed method of acquiring Community Housing units with the Housing In-lieu fee payments will be any combination of the following:
  - a. The fee or a portion of the fee may be used by the BCHA as a down payment on a housing unit to be resold as a Community Housing Unit. The sales price to the qualified buyer will be the

difference between the price the BCHA paid for the unit, plus associated closing costs, and the amount of down payment paid by the BCHA. Deed Restrictions will be used to ensure long-term affordability.



- b. The fee or a portion of the fee may be used by the BCHA as a down payment on a housing unit to be rented to qualified renters as a rental Community Housing Unit. The BCHA will obtain mortgage financing on the purchased unit. The rent collected from the qualified renters will be enough to cover the monthly mortgage payment and associated monthly expenses paid by the BCHA for the rental Community Housing Unit. It is assumed that affordable rent levels will be achieved through the large amount of money the BCHA will be able to put down on the rental Community Housing Units through use of the in-lieu fees.
  - c. The fee or a portion of the fee may be used to assist qualified households in purchasing their own home, through "creative financing" programs such as down payment assistance programs. Any such program will have a mechanism for ensuring long-term affordability of the housing.
  - d. The fee or a portion of the fee may be used to help sponsor or fund a new community housing development, if the units that would be created would be available for occupancy within the required 18 month period.
7. **REPORTING:** Regular reports will be made to the County and any cities that transfer community housing in-lieu payments to the BCHA. These reports will be made to indicate proper spending in accordance with these policies for the provision of Community Housing.
8. **FEES COLLECTED IN THE CITY OF KETCHUM:** In-lieu fees collected in the City of Ketchum for community housing must be spent within Ketchum City Limits or within 1 mile of Ketchum City limits.

PASSED by the City Council and APPROVED by the Mayor this 15<sup>th</sup> day of October, 2001.



David Hutchinson, Mayor

ATTEST



Sandy E. Cady, City Clerk

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